

AN ACT

relating to the refund of unearned premium for a personal automobile or residential property insurance policy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 558.002, Insurance Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d) An insurer shall refund the appropriate portion of any unearned premium to the policyholder not later than the 15th business day after the effective date of cancellation or termination of a policy of personal automobile or residential property insurance, as those terms are defined by Section 2301.051.

(e) Notwithstanding Subsection (d), a guaranty association shall refund any unearned premium as described by Subchapter E, Chapter 462, not later than the 30th business day after the date the guaranty association receives any necessary and accurate financial information, including supporting accounting information, required to determine unearned premium under a policy of personal automobile or residential property insurance, as those terms are defined by Section 2301.051.

(f) For purposes of this section, "business day" means a day other than a Saturday, Sunday, or holiday recognized by this state.

SECTION 2. Section 558.002, Insurance Code, as amended by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after September 1, 2013. A policy that

1 is delivered, issued for delivery, or renewed before September 1,  
2 2013, is governed by the law as it existed immediately before the  
3 effective date of this Act, and that law is continued in effect for  
4 that purpose.

5         SECTION 3. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2013.

\_\_\_\_\_  
President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 698 passed the Senate on March 21, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 8, 2013, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 698 passed the House, with amendment, on April 25, 2013, by the following vote: Yeas 137, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor